GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3396
ANSWERED ON:04.08.2017
Farmer Loan as NPAs
Bhaleram Shri Dharambir

Will the Minister of FINANCE be pleased to state:

(a) whether the Government is aware that if the farmer does not repay their loans after sometime he is declared as loan defaulter but their loan is not declared as Non Performing Assets (NPAs) but the loan defaulted by industrialists to the tune of thousand of crores declared as NPAs by banks;

(b) if so, the details thereof and the reasons therefor;

(c) the details of loans given to the industrialists and declared as NPAs during the last three years and current year, bank/State/UT-wise;

(d) whether the Government proposes to formulate any scheme to declare the loan of the farmers as NPAs; and

(e) if so, the details thereof and if not, the reasons therefor along with the corrective steps taken by the Government in this regard?

Answer

The Minister of State in the Ministry of Finance

(a) to (e): As per Master Circular dated July 01, 2015 issued by Reserve Bank of India (RBI), on Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances, a non performing asset (NPA) is a loan or an advance where interest and/or instalment of principal remain overdue for a period of more than 90 days in respect of a term loan. In case of agriculture, a loan granted for short duration crops is treated as NPA, if the instalment of principal or interest thereon remains overdue for two crop seasons. A loan granted for long duration crops is treated as NPA, if the instalment of principal or interest thereon remains overdue for one crop season.

The above NPA norms for agriculture are applicable only to Farm Credit extended to agricultural activities as per the Circular on Priority Sector Lending − Targets and Classification. In respect of agricultural loans, other than these and term loans given to non-agriculturists, identification of NPAs would be done on the same basis as non-agricultural advances, which, at present, is the 90 days delinquency norm as stated above.

The details on Industry-advances outstanding, and Industry-Gross Non Performing Assets (GNPAs) of Scheduled Commercial Banks as on 31 March, 2015, 31 March, 2016 and 31 March, 2017 (provisional) as reported by RBI is given as under:
(Rs. in crore)

Industry - Advances Outstanding			Industry - GNPAs		
31-Mar-15	31-Mar-16	31-Mar-17	31-Mar-15	31-Mar-16	31-Mar-17
29,73,471	29,98,424	29,45,899	1,84,012	3,86,377	5,25,913